



January 29, 1999

SENATE BILL No. 14

DIGEST OF SB0014 (Updated January 28, 1999 11:40 am - DI 44)

Citations Affected: IC 6-4.1; noncode.

Synopsis: Inheritance tax deduction for family business. Allows a deduction from the value of property interests transferred by a resident decedent in an amount equal to the amount of the decedent's interest in a qualified family owned business deducted from the decedent's gross estate for federal estate tax purposes under Section 2057 of the Internal Revenue Code. (The introduced version of this bill was prepared by the probate code study commission.)

Effective: July 1, 1999.

Zakas, Antich

January 6, 1999, read first time and referred to Committee on Finance.
January 28, 1999, reported favorably — Do Pass.

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January 29, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 14

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-4.1-3-13 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. (a) For purposes of
3 this section, the term "property subject to the inheritance tax" means
4 property transferred by a decedent under a taxable transfer.
5 (b) The following items, and no others, may be deducted from the
6 value of property interests transferred by a resident decedent under his
7 will, under the laws of intestate succession, or under a trust:
8 (1) the decedent's debts which are lawful claims against his
9 resident estate;
10 (2) taxes on the decedent's real property which is located in this
11 state and subject to the inheritance tax, if the real property taxes
12 were a lien at the time of the decedent's death;
13 (3) taxes on decedent's personal property which is located in this
14 state and subject to the inheritance tax, if the personal property
15 taxes are a personal obligation of the decedent or a lien against
16 the property and if the taxes were unpaid at the time of the
17 decedent's death;

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(4) taxes imposed on the decedent's income to date of death, if the taxes were unpaid at the time of his death;

(5) inheritance, estate, or transfer taxes, other than federal estate taxes, imposed by other jurisdictions with respect to intangible personal property which is subject to the inheritance tax;

(6) mortgages or special assessments which, at the time of decedent's death, were a lien on any of decedent's real property which is located in this state and subject to the inheritance tax;

(7) decedent's funeral expenses;

(8) amounts, not to exceed one thousand dollars (\$1,000), paid for a memorial for the decedent;

(9) expenses incurred in administering property subject to the inheritance tax, including but not limited to reasonable attorney fees, personal representative fees, and trustee fees;

(10) the amount of any allowance provided to the resident decedent's children by IC 29-1-4-1; ~~and~~

(11) the value of any property actually received by a resident decedent's surviving spouse in satisfaction of the allowance provided by IC 29-1-4-1, regardless of whether or not a claim for that allowance has been filed under IC 29-1-14; ~~and~~

(12) the amount of the decedent's interest in a qualified family owned business deducted from the decedent's gross estate for federal estate tax purposes under Section 2057 of the Internal Revenue Code.

(c) The amounts which are deductible under subsection (b)(6) of this section are deductible only from the value of the real property encumbered by the mortgage or special assessment.

SECTION 2. [EFFECTIVE JULY 1, 1999] IC 6-4.1-3-13, as amended by this act, applies to the estates of persons who die after June 30, 1999.



COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 14, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 14 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 0.

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